APPENDIX A.

The Fair Trade Act.

Title 56, Chapter 4.

56:4-3. **Definitions.**.. As used in this article: "Producer" means grower, baker, maker, manufacturer or publisher. "Commodity" means any subject of commerce.

56:4-4. **Application of article.** This article shall not apply to any contract or agreement between wholesalers or between producers or between retailers as to sale or resale prices.

56:4-5. **Contracts deemed valid; construction thereof.** 1. No contract relating to the sale or resale of a commodity which bears, or the label or content of which bears, the trade-mark, brand, or the name of the producer or owner of such commodity and which is in fair and open competition with commodities of the same general class produced by others shall be deemed in violation of any law of this state by reason of any of the following provisions which may be contained in such contract:

(a) That the buyer will not resell such commodity except at the price stipulated by the vendor;

(b) That the producer or vendee of a commodity require upon the sale of such commodity to another, that such purchaser agree that he will not, in turn, resell except at the price stipulated by such producer or vendee.

2. Such provisions in any contract shall be deemed to contain or imply conditions that such commodities may be resold without reference to such agreements in the following cases:

(a) In closing out the owners' stock for the purpose of discontinuing delivering any such commodity;

(b) When the goods are damaged or deteriorated in quality, and notice is given the public thereof;

(c) By any officer acting under orders of any court.

56:4-6. **What constitutes unfair competition; civil liability.** Wilfully and knowingly advertising, offering for sale or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of section 56:4-5 of this title, whether the person so advertising, offering for sale or selling is or is not a party to such contract, is unfair competition and is actionable at the suit of any person damaged thereby.

APPENDIX B.

New Jersey Laws.

Chapter 208.

An Act concerning alcoholic beverages, and supplementing chapter one of Title 33 of the Revised Statutes.

WHEREAS, Alcoholic beverage licensees have been unduly stimulating the sale of alcoholic beverages by indiscriminate price cutting, resulting in price wars, and by excessive advertising of bargain values and cut prices; these practices are deemed detrimental to the proper operation of the liquor industry and contrary to the interests of temperance; the sale of alcoholic beverages is unusually susceptible to abuse, with resulting danger to the general public and should be strictly supervised and regulated to prevent undue stimulation of public demand for alcoholic beverages; therefore,

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. The State Commissioner of Alcoholic Beverage Control is hereby vested with the following powers to be exercised in such manner as will assist in properly supervising the liquor industry and promoting temperance: The commissioner may, in his discretion, by rule or regulation, prohibit or regulate the sale of alcoholic beverages within this State in violation of any fair trade contract entered into pursuant to the legislative sanction afforded by Revised Statutes, Title 56, chapter four.

2. This act shall take effect immediately. Approved May 19, 1938.

APPENDIX C.

Regulations No. 30.

Rules Governing the Sale of Alcoholic Beverages Subject to Fair Trade Contracts.

1. Any manufacturer or wholesaler who has heretofore entered into any Fair Trade contract with any licensed New Jersey retailer, which is now in force and provides that the retailer shall not resell any of the products affected thereby except at stipulated prices, shall file at the offices of the Department of Alcoholic Beverage Control within ten (10) days after the effective date of these rules (a) a copy of the contract as executed; (b) a price list (which may be embodied in the contract itself or in an accompanying document) which shall contain an explicit statement of the prices stipulated and an adequate description of the articles to which they refer; and (c) an affidavit or affidavits establishing that copies of the price list have been served personally or by first or third class mail upon all retail licensees in New Jersey who are engaged in the sale of any of the products referred to therein.

2. Any manufacturer or wholesaler who shall hereafter enter into any such Fair Trade contract shall, within ten (10) days after its execution, file at the offices of the Department of Alcoholic Beverage Control (a) a copy of the contract as executed; (b) a price list in the form specified in Rule 1; and (c) an affidavit or affidavits to the same effect as provided in Rule 1.

3. Whenever any alteration is effected in any such contract or price list, the manufacturer or wholesaler shall, within ten (10) days thereafter, file at the offices of the Department of Alcoholic Beverage Control (a) a copy of the altered contract or price list; and (b) where the price list is altered, an affidavit or affidavits establishing that copies of the altered price list have been served personally

or by first or third class mail upon all retail licensees who are engaged in the sale of any of the products referred to therein.

4. Whenever any such contract and price list or such altered contract or price list is filed at the offices of the Department of Alcoholic Beverage Control, summarized notice thereof shall be published as part of the official bulletins issued by the Department, and all licensees shall be chargeable with notice of the contents of contracts and price lists and alterations thereof so published.

5. Whenever any manufacturer or wholesaler has theretofore filed copies of Fair Trade contract and price list and an affidavit or affidavits of service pursuant to the preceding rules, and sells products which are subject to the provisions of the contract and price lists to new customers holding retail licenses, he shall, within ten (10) days thereafter, file at the offices of the Department of Alcoholic Beverage Control an affidavit or affidavits establishing that copies of the price list have been served personally or by first or third class mail upon such new customers holding retail licenses.

6. Whenever any such contract and price list or altered contract or price list is filed and published as aforesaid, no retail licensee shall sell or offer for sale any product referred to therein except (a) at the price stipulated therein by the manufacturer or wholesaler; or (b) pursuant to and within the terms, conditions and limitations of a special permit first obtained from the Department of Alcoholic Beverage Control.

7. Application by a retail licensee for special permit authorizing the sale of any particular product affected by a Fair Trade contract without regard to the price stipulated therein will be entertained in the following situations: (a) where the product was actually possessed by the retailer prior to the execution of the Fair Trade contract; (b) where

the retailer is actually closing out his stock for the purpose of discontinuing delivering such product; (c) where the product is damaged or deteriorated in quality and notice is given to the public thereof; and (d) where the sale of the product is by an officer acting under orders of any Court.

8. Violation of any of the foregoing rules shall constitute ground for revocation or suspension of license.

APPROVED, October 27, 1938.

D. FREDERICK BURNETT,
Commissioner.